

**TOWNSHIP TRUSTEES' BULLETIN
and Uniform Compliance Guidelines**

Volume 235, Page 1

November 1996

ITEMS TO REMEMBER

DECEMBER

- December 1: On or before December 1, certify to the County Treasurer a list of the names and addresses of all persons who have money due them. (IC 6-1.1-22-14)
- December 20: If school township has become a part of a school corporation organized under Chapter 202, Acts 1959, as amended, and if the reorganized school unit is obligated for civil aid bond retirement, trustee will receive from the school corporation an amount of money sufficient to pay civil aid bonds and coupons coming due January 1, 1997. (IC 20-4-1-35)
- December 25: Legal Holiday - Christmas Day (IC 1-1-9-1)
- December 31: On or before the last day of each month the trustee shall file with the secretary of the township board of finance a verified statement which shall reconcile, as of the last day of November, the balance of public funds as disclosed by his or her records (financial and appropriation record) with the statement of the balance made by the depositories. (IC 5-13-6-1)

JANUARY

- January 1: Legal Holiday - New Year's Day (IC 1-1-9-1)
- January 1: Set up the Financial and Appropriation Record for the year 1997, by bringing forward the fund (cash) balances at the close of the year 1996 and entering appropriations as finally adopted and approved.
- January 2: A township shall designate the newspapers or qualified publications in which the township shall publish notices at the first meeting in January of each year. (IC 5-3-1-4)
- January 7: Annual meeting of township board to organize by electing one member as chairman and one member as secretary for the year. (First Tuesday after first Monday in January.) (IC 36-6-6-7)

**TOWNSHIP TRUSTEES' BULLETIN
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Volume 235, Page 2

November 1996

ITEMS TO REMEMBER

(Continued)

- January 7-31: Members of the township board are to meet to organize as a township board of finance by electing one member as president and one member as secretary, each for a period of one year. During the annual meeting the investment officer shall make a written report to the investing officer's local board of finance summarizing the township's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom the township invested money during the previous calendar year. The local board of finance shall do the following at the meeting:
(1) Review the report.
(2) Review the overall investment policy of the political subdivision. (After the first Monday and on or before the last day of January.) (IC 5-13-7-6)
- January 15: Assessment date for mobile homes defined in IC 6-1.1-7-1. (IC 6-1.1-1-2)
- January 15: Last day to make pension report and payment for fourth calendar quarter by townships participating in PERF.
- January 19: Last day for trustee to file the copy of the Annual Report, Township Form 15, as approved by the township board, together with the 1996 vouchers, in the office of the county auditor (ten (10) days after the meeting of the township board on January 9). (IC 36-6-4-12)
- January 20: Legal Holiday - Martin Luther King Day (IC 1-1-9-2)
- January 21: Last day for the annual meeting of the township board for the purpose of receiving, auditing and approving the report of the township trustee for 1996. (On or before the third Tuesday in January.) (IC 36-6-6-9)
- January 31: On or before the last day of each month the trustee shall file with the secretary of the township board of finance a verified statement which shall reconcile, as of the last day of December, the balance of public funds as disclosed by his or her records (financial and appropriation record) with the statement of the balance made by the depositories. (IC 5-13-6-1)
- January 31: Last day to file 1996 financial report, Township Form 15, with the State Board of Accounts. Use the forms sent to you or which you picked up at the State Board of Accounts meeting in Indianapolis, November 14, 1996.

**TOWNSHIP TRUSTEES' BULLETIN
and Uniform Compliance Guidelines**

Volume 235, Page 3

November 1996

ITEMS TO REMEMBER
(Continued)

- January 31: Last day to provide each employee with a W-2.
- January 31: Last day to file quarterly report for last quarter of 1996 with Internal Revenue Service.
- January 31: Last day to file Form 100R, Report of Names and Compensation of all Officers and Employees, with the State Board of Accounts. Be sure to indicate the name of the township and the name of the county on page one of the form. A supply of forms for the report can be procured from your supplier of township forms. The form shall be mailed to the State Board of Accounts, 302 West Washington Street, 4th Floor, Room E418, Indianapolis, Indiana 46204. (IC 5-11-13-1)
- January 31: Last day to make report for last quarter of 1996 to the Department of Workforce Development.

FEBRUARY

- February 12: Legal Holiday - Lincoln's Birthday (IC 1-1-9-1)
- February 18: Last day for publication of township trustees' Annual Report, Township Form 15, for 1996, in summary form. (Within four weeks after the third Tuesday after the first Monday in January.) (IC 36-6-4-13)
- February 21: Legal Holiday - Washington's Birthday (IC 1-1-9-1)
- February 28: On or before the last day of each month the trustee shall file with the secretary of the township board of finance a verified statement which shall reconcile, as of the last day of January, the balance of public funds as disclosed by his or her records (financial and appropriation record) with the statement of the balance made by the depositories. (IC 5-13-6-1)
- February 28: Last day to file withholding statement together with Yearly Reconciliation of Employer's Quarterly Tax Returns with Internal Revenue Service and Indiana Department of State Revenue, respectively.

**TOWNSHIP TRUSTEES' BULLETIN
and Uniform Compliance Guidelines**

Volume 235, Page 4

November 1996

SINGLE AUDIT ACT AMENDMENTS OF 1996

Congress recently amended the Single Audit Act of 1984 with the Single Audit Amendments of 1996 (Amended Act). The Amended Act provides that audits for periods ending on or after June 30, 1997 be performed under the guidelines provided by the Office of Management and Budget (OMB) Circular A-133. Grants currently being issued are included. The Amended Act and Circular A-133, in addition to other items, have placed new requirements on the recipients of federal awards. Each recipient of federal awards will be required to identify all federal awards received and expended and the federal programs under which they are received. The Amended Act and Circular A-133 require that the federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, the name of the federal agency, and name of the pass-through agency. These new requirements are in part designed to make each recipient of federal awards more aware of the federal programs received and disbursed.

Situations have occurred in some audits where auditors have been known to spend significant amounts of audit time sorting through accounting records and federal files in order to obtain the required information concerning federal awards. The new requirements place the responsibility upon the recipient to provide that information upon request. Important consideration is that the requirements also apply to pass-through recipients of federal awards. Therefore, townships that receive federal awards passed through state agencies or other pass-through entities, will also be required to provide appropriate CFDA titles and numbers, award numbers, and name of the federal agency providing the award. Townships which then in turn pass-through federal awards to subrecipients, will also be required to provide the information to each subrecipient.

**BUILDING OR REMODELING AND FIRE EQUIPMENT FUND
(CUMULATIVE FIRE)**

IC 36-8-14 authorizes townships to provide a cumulative fire fund for the purchase, construction, renovation, or addition to buildings used by the fire department and for the purchase of firefighting equipment, including making the required payments under a lease rental with option to purchase agreement made to acquire the equipment. The fund may also be used for the purchase, construction, renovation or addition to a building or the purchase of equipment for use of a provider of emergency medical services under IC 16-31-5 to the township establishing the fund.

IC 36-8-14 limits the tax levy to no more than ten cents (\$.10) on each one hundred dollars (\$100) of assessed valuation in the taxing district. Any tax collected after establishing the tax levy shall be deposited in a special fund to be known as the "Building or remodeling, fire equipment fund." The fund may not be used for any purpose other than the purpose for which the money was raised. Expenditures may be made only after an appropriation has been made available.

Any questions regarding procedures to establish the fund should be directed to the State Board of Tax Commissioners, Indiana Government Center North, Room N1058, 100 N. Senate, Indianapolis, IN 46204.

FEDERAL TAX DEPOSITS - ELECTRONIC FUNDS TRANSFER

The following was provided by the Internal Revenue Service (IRS) pertaining to electronic funds transfer of federal tax deposits which becomes effective for some townships on January 1, 1997. Please contact the IRS at 1-800-829-1040 if you have further questions.

ELECTRONIC PAYMENT SYSTEM

What is it?

The Electronic Payment system allows employers to make Federal Tax Deposits using Electronic Funds Transfer technologies.

How does it work?

It uses the Automated Clearing House (ACH) to process **payments**. There are two methods available: ACH Debit and ACH Credit

With **an** ACH Debit transaction, you authorize the Treasury's financial agent for your area to withdraw funds **from** your account and route them to the Treasury's general account at the Federal Reserve Bank (FRB). At the time you issue the instructions, the financial agent will provide you with **an** acknowledgment number. If you initiated the payment on time, had **sufficient** funds in your account and received an acknowledgment number, the financial agent is responsible for any processing problems with your payment.

An ACH Credit transaction is one in which your financial institution, upon your instructions, initiates a transaction through the ACH to the U. S. Treasury's general account at the FRB. You remain liable for the payment until your payment has been credited at the FRB.



Internal
Revenue
Service

What are the benefits of using Electronic payments?

- * No trips to the **bank**; no standing in line to deliver **FTD** coupons.
- * Faster, more accurate posting of deposits to your account.
- * Flexible, convenient payment methods such as telephone and personal computer dial-up options and electronic arrangements with your **own** bank.

Am I required to make payments electronically?

If your annual employment **tax** deposits were more than **\$50,000** in calendar year 1995, you are required to begin electronic **payments** on January 1, 1997. Even if you are not mandated to use the new system this year, you are encouraged to take advantage of this easy and convenient payment method.

Will I be penalized if I don't use the electronic system?

Yes. Taxpayers who are required to make deposits electronically must do so beginning **January 1**. If you don't transmit electronically, **you** will be subject to a 10 percent penalty on the amount of the deposit.

How do I enroll?

During May and June **1996**, First Chicago Bank, a **Treasury** Financial Agent, will begin mailing out enrollment packages to the 1.3 million taxpayers who are mandated to use the new **system**. The enrollment package will include a notice to the **taxpayer** explaining their **payment** requirements, an enrollment **form** and instructions.

When is the deadline?

Mandated **taxpayers** are encourage to enroll as soon as **possible**, but no later than November 1, 1996 so they can meet the payment requirement for January 1, 1997 without being penalized for non-compliance. It takes approximately 2 to 10 weeks to complete the enrollment **process**.

Indiana District (rev. 4/96)